

Fuel Taxes:

A State-by-State Comparison

June 2004



The 18th amendment to the Washington State Constitution dedicates motor fuel tax collections to “highway purposes.”



**Washington State
Department of Transportation**

Strategic Planning and Programming

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This State-by-State Fuel Tax Comparison report is published with the intent to assess and compare Washington's fuel tax to that of the other 49 states and the District of Columbia. Throughout the country, state and local governments impose a variety of cents-per-gallon taxes and taxes based on the retail or wholesale price of fuel. Some states also impose other environmental or business taxes that translate into cents-per-gallon charges at the pump. To determine how Washington compares, the Washington State Department of Transportation semi-annually analyzes data from other states to learn what taxes are imposed on fuel used by cars and trucks traveling on the nation's roads.

The findings for the first six months of 2004 place Washington's fuel taxes in the top 20 percent nationally. The national average state and local gasoline tax rate for this six-month period is 23.59¢ per gallon. Washington's 28¢ tax rate is similar to the other western states (California 32.5¢, Oregon 27.0¢, Nevada 33.8¢, Idaho 25.0¢, and Montana 27.75¢) but still lower than states with congestion problems similar to ours (New York 33.4¢, California 32.5¢, and Florida 29.47¢). The findings also illustrate the complexity of fuel tax structures nationwide.

This update of *Fuel Taxes: A State-by-State Comparison* reveals only minor changes from the previous report and covers the period from January 1, 2004 through June 30, 2004. Washington ranks 9th among the 50 states and the District of Columbia for combined state, federal, and local gasoline taxes. A majority of the states (33) have combined fuel tax rates that fall within the 20¢ to 30¢ range, seven states fall into the 30¢ to 40¢ range, and the remaining eleven have combined fuel tax rates under 20¢.

Since the December 2003 report, ten states have had changes to their fuel tax rates. The accompanying table details the states, the change and the reason for change. No state had a drop in rate for this six-month period.

The information in this report is gathered primarily from the *Commerce Clearing House (CCH) State Tax Guide, Statute Summaries*. In addition, data was supplemented with information supplied by individual states and telephone interviews with officials in selected states.

States that Experienced Increases		
State	Change	Reason for Change
California	1.35¢	Increase in average US retail price of fuel causing sales tax amount to increase
Georgia	1.11¢	Increase in average US retail price of fuel causing sales tax amount to increase
Hawaii	0.74¢	Increase in average US retail price of fuel causing sales tax amount to increase
Illinois	1.10¢	Variable rate component Increase
Indiana	0.93¢	Increase in average US retail price of fuel causing sales tax amount to increase
Nebraska	0.20¢	Variable rate component Increase
New York	1.60¢	Quarterly adjustment to sales tax component
North Carolina	0.10¢	Increase to the wholesale tax component
Virginia	0.37¢	Increase in average US retail price of fuel causing local sales tax amount to increase slightly
Wisconsin	0.60¢	Annual adjustment for inflation

State by State Combined State and Local Tax Rate Comparison June 2004

